

HORACE R. KORNEGAY
1776 K STREET, NORTHWEST
WASHINGTON, D. C. 20006

TELEPHONE
AREA CODE 202
296-8434

March 16, 1978

RECORDATION NO. **9287** Filed & Recorded

MAR 17 1978 -2 45 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED
MAR 17 2 40 PM '78
CERTIFICATION UNIT

Interstate Commerce Commission
12th and Constitution Avenue, N. W.
Washington, D. C. 20423

Attention: Mrs. Lee
Room 227

Dear Mrs. Lee:

Enclosed herewith you will find a Security Agreement with one exact copy between Horace R. Kornegay and Annie B. Kornegay (debtor) and Union First National Bank of Washington (bank) and my check in the amount of \$50.00 to cover the cost of recording the enclosed agreement.

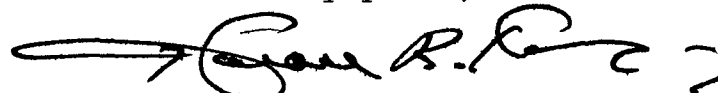
After recording this information, please return the copy of it together with the appropriate notation of recordation directly to:

Union First National Bank of Washington
740 - 15th Street, N. W.
Washington, D. C. 20005

Attention of Mr. Harold Gregoire

You have my appreciation for your service in connection with this matter.

Sincerely yours,



Horace R. Kornegay

Enclosures

8-076A051

MAR 17 1978
D.C.

Fee \$ 50

ICC Washington, D. C

Interstate Commerce Commission

Washington, D.C. 20423

3/20/78

OFFICE OF THE SECRETARY

**Horace R. Kornegay
1776 K Street N.W.
Washington, D.C. 20006**

Dear

Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **3/17/78** at **2:45pm**,
and assigned recordation number(s)

9287

Sincerely yours,

**H.G. Homme, Jr.
Acting Secretary**

Enclosure(s)

**SE-30-T
(6/77)**

ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

Agreement made this 29th day of December,

19 77, between Horace R. Kornegay and Annie B. Kornegay (Debtor)
and Union First National Bank of Washington (Bank).

Management

WHEREAS, Debtor entered into a ~~lease~~ agreement under date of December 23,

19 77, with Railvest, Inc. ~~(Lesse)~~ ^{Manager} (Lesse)

covering certain equipment therein described and providing for the payment of ~~rent~~ ^{earnings quarterly} on a ~~monthly~~ basis
for a term of ten (10) years ~~xxxxx~~ ^{Manager} months by the ~~Lesse~~ to Debtor, and

WHEREAS, Debtor has borrowed funds from Bank to pay the cost of said equipment and has executed and delivered to Bank a promissory note dated December 23, 19 77,

in the amount of \$ 60,000.00, payable as to principal and interest as therein provided; copy of bill of sale and warranty transferring two (2) XF freight cars nos. VC 7028 and VC 7029 are attached hereto and made a part hereof.

NOW, THEREFORE, to secure the payment of said note and the performance by Debtor of the agreements and undertakings hereinafter set forth, Debtor does hereby assign, transfer and set over to Bank all of Debtor's right, title and interest in and to the aforesaid ~~lease~~ ^{Management} agreement and does hereby give to Bank the right at any time at its option to direct the ~~Lesse~~ ^{Manager} to pay the ~~rent~~ ^{earnings} under said ~~lease~~ ^{Management} agreement directly to Bank.

Debtor hereby grants to Bank a security interest in all credit balances and all other property of Debtor of every kind and nature now or hereafter in the custody or possession of Bank, for whatever purpose delivered and in whatever capacity held.

AND FURTHER, Debtor hereby grants to Bank a security interest in the equipment described in said ~~lease~~ ^{Management} agreement, together with all parts, fittings, accessories, special tools, and all renewals and replacements of all or any part thereof (hereinafter referred to as the "Collateral").

Debtor Warrants: (a) Debtor owns the Collateral (subject to the interests of ~~Lesse~~ ^{Manager} under said ~~lease~~ ^{Management} agreement) clear of all liens and security interests except the security interest granted hereby; (b) Debtor has the right to make this agreement; (c) the Collateral is used or bought for use primarily for business purposes; (d) the Collateral is being acquired by Debtor with the proceeds of the note identified above; (e) the Collateral will not be attached to or affixed to real estate in such a manner that it will become a fixture.

(Over)

BILL OF SALE

December 30, 1977

Pursuant to the Purchase Agreement dated September 6, 1977 (as modified by letter agreement dated October 20, 1977) between Fruit Growers Express Company ("FGE") and Railvest, Inc. ("Vendee"), FGE hereby transfers to Horace R. Kornegay ("Assignee") FGE's interest in the 70-ton 50'6" XF type freight car(s) ("Cars") identified on the schedule attached hereto.

FGE hereby warrants to the Assignee that, at the time of delivery of the Car(s) under the Purchase Agreement, FGE had legal title to the Car(s) and good and lawful right to sell the Car(s) and that the Car(s) were free of all claims, liens, security interests and other encumbrances of any nature. FGE further covenants to defend the title to the Car(s) against the demands of all persons whomsoever based upon claims originating prior to the delivery of the Car(s) by FGE under the Purchase Agreement.

FRUIT GROWERS EXPRESS COMPANY

By 

President

[CORPORATE SEAL]

Delivery of this BILL OF SALE is upon receipt of certified or cashier's check no. 023048 drawn on Bank of Columbia. If the check is dishonored or payment is refused for any reason, title shall revert to FGE.

SCHEDULE OF DELIVERY

OF

70-TON, 50'6" XF FREIGHT CARS

DELIVERY DATE

December 30, 1977

RAILROAD REPORTING MARKS

VC 7028

VC 7029

W A R R A N T Y

FGE warrants that the Car(s) shall be rebuilt in accordance with the Specifications set forth in Paragraph 1 of the Purchase Agreement dated September 6, 1977, between FGE and Railvest, Inc., and that upon delivery the Car(s) shall meet the requirements of Rule 88, the Association of American Railroads' Code of Interchange Rules. Car(s) will be guaranteed against failure from defects in material and workmanship (except as to specialties and parts specified or furnished by Railvest and not manufactured by FGE), under normal use and service. FGE's liability hereunder is expressly limited to repair or replacement at its shop of any part or parts of any Car which shall, within one year after the delivery of such car (or, in the case of patent defects, within ten days after delivery), be returned to FGE with transportation charges prepaid, and switching charges, if any, prepaid, and which examination by FGE shall disclose to its satisfaction to have been thus defective. Claim(s) coming within this warranty shall be made promptly. Any unit of equipment repaired, replaced, or altered outside of FGE's shop(s), the repair, replacement, or alteration of which in FGE's judgment has adversely affected in any material way the strength and performance of such unit of equipment, is removed from this warranty.

Warranties for specialties and parts not manufactured by FGE are solely the warranties of the manufacturers of such specialties and parts which warranties are hereby assigned without recourse to FGE.

IN NO EVENT SHALL FGE BE LIABLE TO ANYONE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND. THE FOREGOING WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND FGE NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE CONSTRUCTION AND DELIVERY OF THE EQUIPMENT.